BANKING STABILITY AND FINANCIAL CONGLOMERATES IN EUROPEAN EMERGING COUNTRIES

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**Abstract:** This Element focuses on the specific role of financial conglomerates in managing banking and financial stability. The Element aims to estimate financial stability in Central and Eastern Europe using the constructed aggregate financial stability index, to incorporate the financial stability of the parent company into the index, and to assess the effect of the parent company on the financial stability of commercial banks and national financial sectors.

This Element also has a video abstract: www.Cambridge.org/Economics of Emerging Markets_Vodova_abstract

**Keywords:** banking stability index, performance, liquidity, solvency, asset quality

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